



Low Income Housing Tax Credits

- Mix of rents/incomes: 30%, 40%, 50%, 60% and Market Rate
- Very competitive program you often have to offer many amenities and services to create a competitive Application
- Keys to discuss with Property Management
 - Rent/Income Targeting what "need" exists in the market
 - Services and amenities what is needed and what will it cost to operate and maintain
 - Income and Expense budgets plan ahead and get real budgets
- Sources of Information
 - IHFA <u>www.ai.org/ihfa/</u>
 - QAP, Applications, Rent/Income Limits, Compliance, etc.

Bonds - Taxable and Tax Exempt

- Usually larger properties
- Require higher rents; usually 60 % and market rents
- Competition is mainly with other market-rate properties as the rents are higher and usually restricted by the market as opposed to tax credit compliance restrictions (and lots of paper work)
- Keys to discuss with Property Management
 - Where are the 60% rents compared to Market rents
 - Services and amenities what is needed and what will it cost to operate and maintain
 - Income and Expense budgets plan ahead
- Sources of Information
 - IHFA 2005 QAP (currently in draft form)
 www.in.gov/ihfa/rental/gap/2005/gap2005.htmo

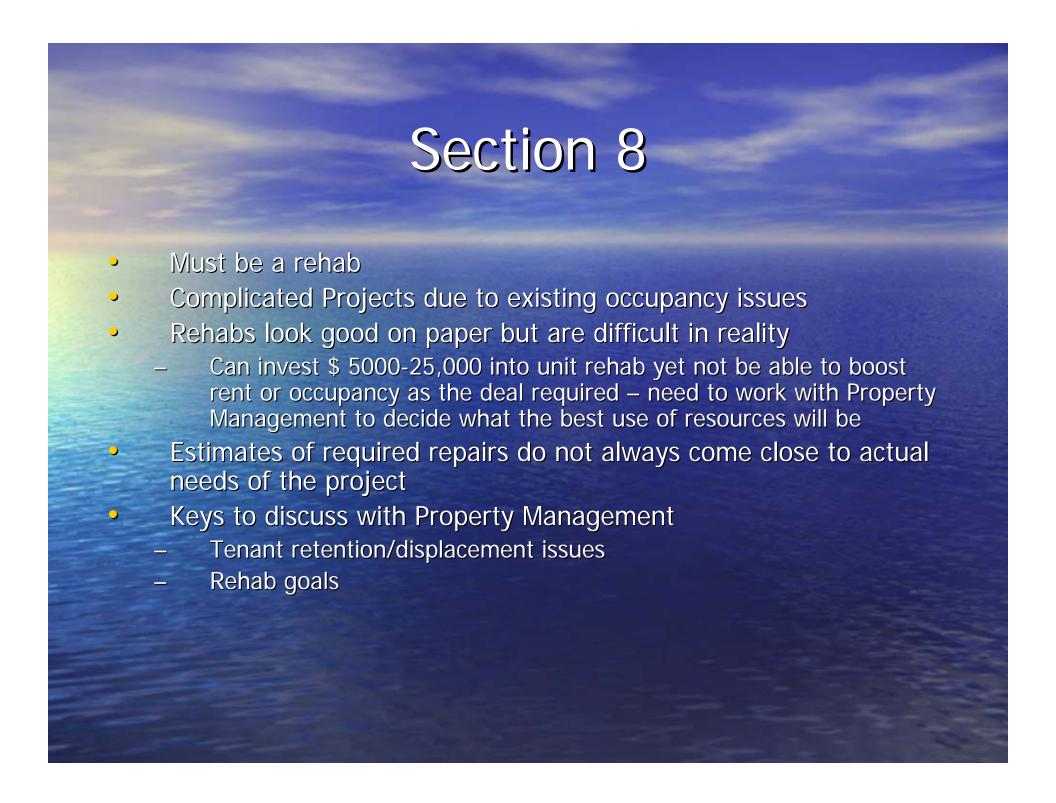
HOME Funds

- Can have different rent levels than Tax Credit requirements and is based upon the county the property is located within
- If Home funds exceed 11 units, Davis Bacon " Union " wages will be required for all construction personnel which will increase construction cost
- Keys to discuss with Property Management
 - Which units to assign as HOME (can FLOAT the units)
 - Rents are often lower than Tax Credit Rents
- Sources of Information:
 - IHFA QAP Schedule E or Participating Jurisdiction
 - HUD rent and income limits
 - Incomes: www.hud.gov/offices/cpd/affordablehousing/programs/h ome/limits/income/2004/index.cfm
 - Rents:www.hud.gov/utilities/intercept.cfm?/offices/cpd/affordable housing/programs/home/limits/rent/2004/indiana.pdf





- Seems to be focused more towards non-profits
- Focus also seems to be shifting towards special needs projects with lots of amenities and services
- Difficult or unable to utilize market-rate units if you have AHP funds (need 60% of units at or below 50% AMI)
- Keys to discuss with Property Management:
 - Rent and income targeting what can the market support
 - Services what will they cost and who will perform?
- Sources of Information:
 - Federal Home Loan Bank www.fhlbi.com
 - Affordable Housing Program Implementation Plan





- All of the agencies have very competitive programs.
- Developers often create a project by what "scores the best"
 - Lower rents (to get more points) may not be achievable if the market does not exist
 - Amenities and Services cannot be afforded or maintained
- Developers need to sit down with the Property Management team to understand if the project, as designed, is viable and manageable.